

# 2023 Water & Sewer Revenue & Refunding Bonds

March 29, 2023

# Proposed Water & Sewer Bond Issue

Revenue Bond – new money	\$ 29,975,000
Revenue Bonds – Refunding 2013 Bonds	<u>36,125,000</u>
TOTAL	\$ 66,100,000



# Primary Documents

**Bond Ordinance** – authorization from Council to sell the bonds

**Official Statement** – provides detailed financial information to potential investors about the issuer and the bond offering



# Bond Covenants

A bond covenant is a legally binding term of an agreement between a bond issuer and a bondholder, designed to protect the interests of both parties.



# Bond Covenant Examples

- The City will maintain and operate the system
- The City will maintain rates at the level necessary to fund operations and keep the properties in good repair
- The City will maintain insurance on the system
- The City will not provide free service or connection charges
- The City shall take all necessary action to collect on delinquent accounts
- The City will not take any action that would adversely affect the bonds tax exempt status
- The City will maintain proper books of account



# Bond issuance schedule

## March

- 3/29/2023 - First Reading Bond Ordinance

## April

- 4/5/2023 – Second Reading Bond Ordinance
- 4/12/2023 – 3<sup>rd</sup> & Final Reading Bond Ordinance
- 4/20-2023 – Bond rating call – Standard & Poor's

## May

- 5/8/2023 – Preliminary Official Statement posted
- 5/16/2023 – Bond sale – competitive
- 5/22/2023 – Final Official Statement posted
- 5/25/2023 – Closing – funds delivered



**QUESTIONS/COMMENTS?**



Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate

